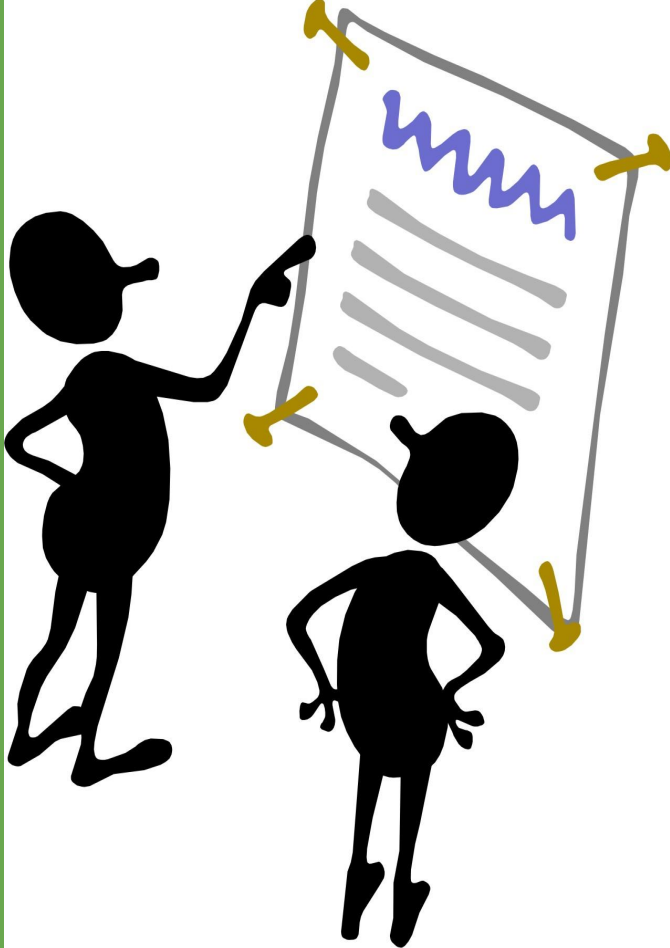


Demystifying Business Insurance

Chanté Owens - Commercial Insurance Broker



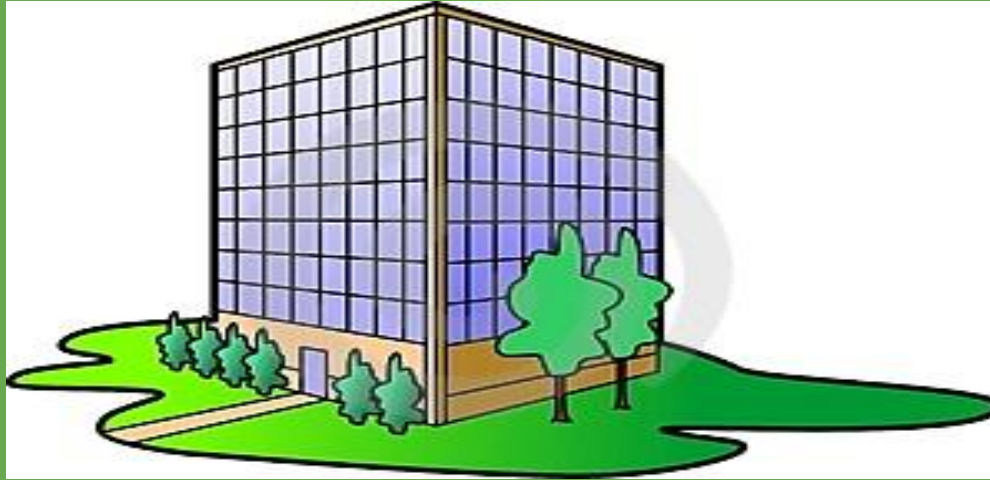
Insurance is defined as:

“The pooling of a large number of individual risks. Funds to cover individual losses are raised by collecting small amounts (premiums) from a broad base of buyers.”

Why do you need Insurance?

- Sometimes it's required
- To protect your business & personal assets
- Insuring your employees have protection (Workers Comp)
- Protecting your customers/clients against unexpected losses that you may be found negligent & be held liable to pay





What is 1st Party Insurance Coverage?

1st Party Insurance Coverage is coverage provided for any coverage that you need for your personal business property or contents.

Example: Commercial Property Insurance is a 1st Party coverage that would cover your property if there were a covered loss like a fire.



What is 3rd Party Insurance Coverage?

3rd Party Insurance Coverage is coverage for any parties that may make allegations of bodily injury or property damage loss to them as a result of your (alleged) negligence.

Example: A customer enters your restaurant and slips and falls on ice cubes that were spilled from your ice machine. The bodily injury portion of your General Liability policy would cover this loss if a claim was filed, and you were found negligent for the injuries.

How do you know what type of insurance you need?

A restaurant owner will likely need a Commercial General Liability policy in order to satisfy their lease agreement with their landlord, as well as to protect themselves from any claims from customers.

There could also be a need for:

- Workers Compensation which covers employee related losses
- Business Personal Property
- Loss of Business Income
- Liquor Liability
- Crime/Employee Theft
- Spoilage, and more...





A manufacturing business would need to have a Commercial General Liability and most likely the following additional coverage options:

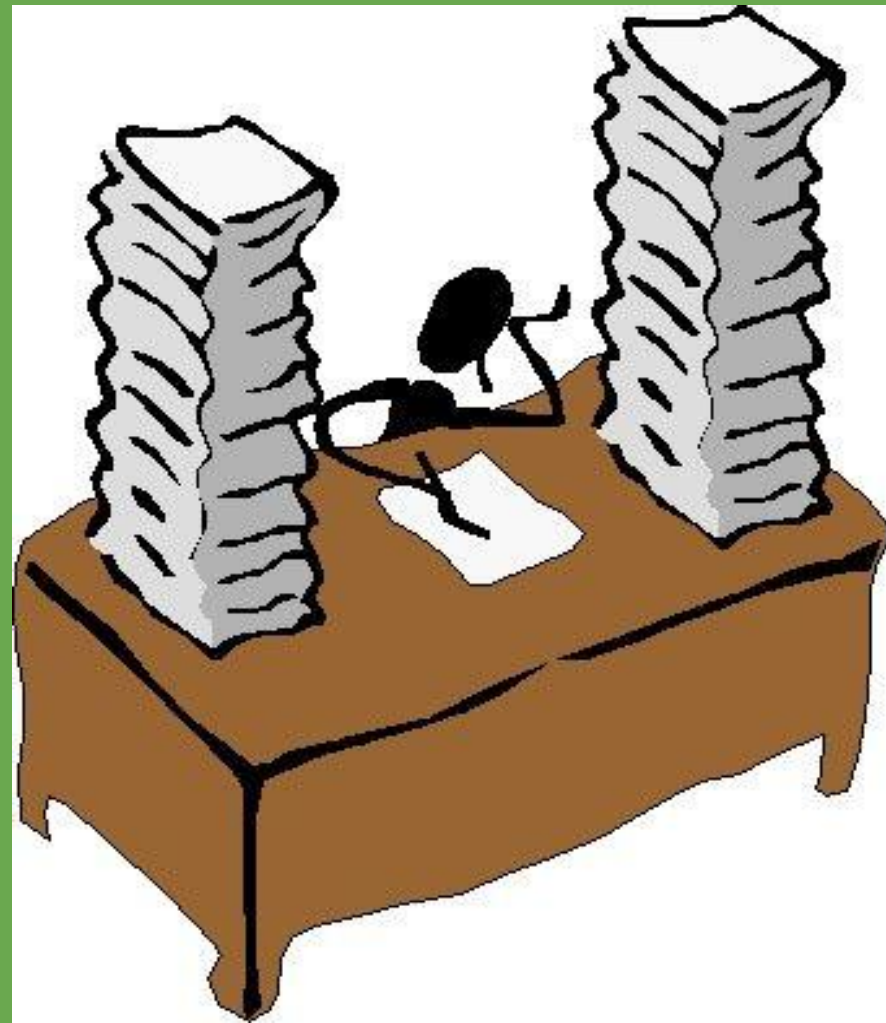
- Commercial Property
- Boiler/Mechanical Breakdown
- Commercial Auto
- Loss of Business Income
- Business Personal Property

Additionally certain sectors may have their own types of insurance that are required as well. Doctors are required to carry Malpractice Insurance (aka Professional Liability).

Transportation companies may have General Liability and Commercial Auto policies as well as Inland Marine coverage to cover items while in transit.

How do I find a good insurance agent?

- Ask someone in your same industry who they use
- Check out associations related to your field and see if they recommend any insurance agents that specialize in that particular industry
- Google insurance agents that specialize in your industry
- When you meet with an agent, ask questions about their insurance background and provide them with information to help you





Common Insurance Myths

Insurance is expensive!

I'm paying extra for all of those strange coverage items listed on my policy.

Agents try to rip me off by offering stuff I don't think I need!

My friend and I are in similar businesses, but his insurance is cheaper than mine. Why?



Resources

- SBA - <https://www.sba.gov/>
- Washington State Dept of Labor & Industries - <http://www.lni.wa.gov/>
- Washington Restaurant Association - <http://warestaurant.org/>
- IRMI (Insurance & Risk Management Glossary) - <https://www.irmi.com/online/insurance-glossary/terms.aspx>
- Google is your friend - let your fingers do the walking